

**Department for Local Government
Strategic Plan 2010-2014**

2012 Strategic Plan Progress Report

Mission:

"We will empower our partners with effective advocacy, information, and funding resources. We will do so in a timely manner with special regard to integrity and innovation."

Vision:

"We will partner with Kentucky's local communities to enrich their citizens' quality of life."

A. Give all children valuable educational opportunities

Objective – KIA funding of broadband projects that will provide high speed internet access to un-served or underserved areas.

Performance Measure – Assess the number of applications for broadband funding and the number of loans approved by the KIA board.

Goal A, Objective 1 Progress Report: During 2010-2012 , Kentucky Infrastructure Authority committed over \$7MM in Fund B and Fund C loan monies for internet expansion in the Commonwealth.

Objective: Appalachian Regional Commission (ARC) grants in the area of educational opportunities to extend the reach of educational systems within the Appalachian region of Kentucky to accomplish increase in educational attainment and achievement.

Performance Measure: Monitoring and completion reports

Objective A, Goal 2 Progress Report - During Fiscal Year 2011, four ARC projects were awarded that fit this objective. One of them – Midway College School of Pharmacy – was completed and all funds spent. However, the project has been cancelled due to inability to get the Pharmacy School accredited. The other projects: Early Steps to School Success – Save the Children – is underway, but it is too early to document outcomes; AdvanceKentucky provides funding to allow Advanced Placement Classes in four ARC Distressed Counties. This project is underway but it is too early to provide documented outcomes; HCTC's Telford Center renovation project is about completed, but no documented outcomes are yet available.

B. Create and protect 21st Century jobs

Objective: JFA contracts with the Area Development Districts to assist local governments with economic development projects

Performance Measure: quarterly reports detailing actual projects

Goal B, Objective 1 Progress Report: To date in FY 2012, the Area Development Districts have been involved in over 100 projects statewide with the investment of \$584,121,091 in the creation or retention of 3,648 jobs.

Objective – KIA funding of infrastructure projects in local communities that will facilitate commercial development as well as provide service to households

Performance Measure – Use updated information in WRIS; feedback from ADDs and water resource management planners

Goal B, Objective 2 Progress Report: No new activity for 2012. In 2010, KIA committed over \$1.9MM in Fund A loan monies to two borrowers for projects that would encourage commercial development as well as provide service to households.

Objective – KIA disbursement of all ARRA funds made available to Kentucky for water and sewer infrastructure

Performance Measure – Gather data from EPA and ARRA reporting

Goal B, Objective 3 Progress Report: Through August 15, 2012, KIA has expended over \$42.4MM (87%) in Clean Water State Revolving Funds (CWSRF) ARRA funds to 43 projects for wastewater, stormwater and nonpoint source projects. As of the same date, KIA has expended over \$18.4MM (96%) in Drinking Water State Revolving Funds (DWSRF) ARRA funds to 17 projects for drinking water projects.

Objective: Community Development Block Grant (CDBG) assists local governments to attract and retain quality employment within the local community, ensuring livable wages for low to moderate income residents.

Performance Measure: monitor program files and conduct a site visit at least one time during the course of the project

Goal B, Objective 4 Progress Report: DLG funded 12 Traditional Economic Development projects beginning in 2010 with CDBG awards of \$9,738,800 and a projection of jobs of 751 towards job creation. Actual job numbers for all projects are not yet known as most are still in the hiring process. Five of the projects have been visited on site and monitored for compliance with state/federal regulations. Two of these first 12 projects have closed creating 117 new jobs, over 51% of which have gone to low and moderate income persons. DLG also funded 2 Microenterprise projects with awards of \$100,000 and a projection of 60 people receiving training. Unfortunately, the 2 Microenterprise projects funded in this cycle have since withdrawn.

Four more Traditional Economic Development projects with awards of \$2,600,000 have been approved in the last year. The job creation projection for these 4 projects is 181. At least 51% of the jobs are pledged to go to low and moderate income persons. Actual numbers are not yet known as they are early in the hiring process. One of the projects has been monitored on site and is expected to close in the near future. The private investment for these 4 is expected to be \$49,467,500 and most salaries range between \$28,000 and \$32,000. No Microenterprise projects have been funded in the last year.

Objective: Single and Multi-County Local Government Economic Development Fund (Coal Severance) projects assist local governments in coal counties and the regional industrial development authorities in attracting and retaining quality employment.

Performance Measure: Conduct project monitoring and completion inspection to ensure funds were spent legally and in accordance with the project Scope of Work and jobs were created as expected.

Goal B, Objective 5 Progress Report: In House Bill 1 (Budget Bill for FY 2011 and 2012) there were 12 single county coal severance line-item projects authorized totaling \$1,510,240 related to economic development and job creation and retention. During FY '12, DLG released \$523,674 for these projects. During 2012, the Department for Local Government awarded \$530,000 in single county coal severance funding for four economic development projects in the eastern and western Kentucky coalfields. The projects range from industrial site development to workforce training. To date, DLG has released \$103,438 for these projects.

During 2012, the Department for Local Government awarded \$4,574,125 in multi-county coal severance funds for eight economic development projects in the eastern and western Kentucky coalfields. The projects range from industrial site development to workforce training. To date, DLG has released \$2,926,583 for these projects.

Objective – The Delta Regional Authority (DRA) program assists 21 counties in western Kentucky to support new business development and promote increased tourism spending within the region to allow citizens of the region to achieve and maintain a quality standard of living.

Performance Measure – Individual projects project jobs created/retained and quarterly reporting to DRA indicates progress made for the entire annual DRA investment of funding as well as non-federal match funding leveraged.

Goal B, Objective 6 Progress Report: DRA approved six projects for FY 2011. I know these projects are under contract and are being implemented. Since DLG does not receive copies of progress reports and we have no way of accessing the progress, I cannot report on progress – jobs created/retained, etc.

C. Improve access to quality & affordable health care

Objective: CDBG funds to improve the quality of health care primarily for low-to-moderate citizens

Performance Measure: monitor program files and conduct a site visit at least one time during the course of the project

Goal C, Objective 1 Progress Report: In 2010, CDBG has committed \$500,000 for a county health department. Construction has not yet begun so monitoring has not occurred as yet. In 2011, CDBG committed \$500,000 for a substance abuse treatment center and \$500,000 for a YMCA Wellness Center. Both projects are in the pre-construction phase. They will be monitored after construction begins.

Objective: CDBG funds to improve fire protection capabilities in low-to-moderate income communities

Performance Measure: monitor program files and conduct an on-site visit at least once during the course of the project

Goal C, Objective 2 Progress Report: In 2010, CDBG committed \$500,000 for a fire station. The project is in the property acquisition and design phase. Project monitoring will be conducted during the construction phase of the project. In 2011, CDBG committed \$500,000 for a fire station but the project has not yet begun.

Objective: CDBG and ARC funds to provide access to health-care professionals that can supply affordable, accessible health care to meet the needs of Kentucky's eligible communities.

Performance Measure: Monitoring and completion reports

Goal C, Objective 3 Progress Report: During Fiscal year 2011, four ARC projects were awarded that fit this objective. One project was awarded to Lindsey Wilson College to purchase equipment for their new Nursing Facility Building to be used to train nursing students for both Associate and Baccalaureate Degree Programs. This project is underway but classes are scheduled to begin this semester and no documented outcomes are yet available. The Northeast KY Ovarian Cancer Screening Program project is underway with equipment purchased but it is too early to provide documented outcomes. The other two projects – Clinton Co. Hospital Digital Mammography Equipment and Russell Co. Hospital Biopsy System provided assistance with purchase of hospital equipment. It is too early to have documented outcomes on either of these projects.

CDBG - The program/project has been cancelled or postponed indefinitely.

Objective: ARC funds will be utilized to build capacity of distressed Appalachian communities to address oral health needs through local action and to develop a curriculum and deliver training needed to increase availability of pediatric dentistry services in Appalachian Kentucky.

Performance Measures: Local oral health initiatives implemented by coalitions with specific activities and outcomes to be determined will be monitored and reported with data recorded including the increase in numbers of patients being treated for the first time; the number of dentists completing training will be documented and increase in numbers of children receiving services will be assessed and documented

Goal C, Objective 4 Progress Report: The two projects that began in 2010 to develop a curriculum and deliver training needed to increase availability of pediatric dentistry services in Appalachian KY and establish oral health coalitions to implement outcomes resulting in increased numbers of patients being treated for the first time, etc have been in progress for the past two years. The Pediatric Dentistry curriculum and training project has reported completion of the curriculum, but training has just begun for dentists and no data on outcomes is yet available. The Oral Health Coalitions project has been implemented with development of 13 coalitions in Appalachian KY. The project has been slow to develop and documentation of results is not yet available. The KY Dept. for Public Health is requesting additional funding to expand the coalitions into ten more Appalachian areas for FY 2012. The 2011 project titled Smiling Schools has been implemented but data to illustrate outcomes is not available yet. Progress has been slowed due to bad weather in school districts last year.

D. Ensure safe communities

Objective: Conduct an annual conference with educational seminars to enhance problem-solving techniques for local government, which includes workshops to aid local law enforcement officials.

Performance Measure: Training credit hours applied by and awarded to local officials for attending workshops at the Governor's Local Issues Conference.

Goal D, Objective 1 Progress Report: As of August 30, 252 county elected officials have applied for and been awarded training credit hours for attending workshops at the Governor's Local Issues Conference hosted by DLG.

Objectives: CDBG funds to create housing recovery centers to help address the state's drug problem and resolve some of the state's homeless issues simultaneously.

Performance Measure: 10 recovery centers constructed state wide, enabling residents of the recovery centers to achieve a life of sobriety and become productive members of society.

Goal D, Objective 2 Progress Report: There are now 10 recovery centers in operation and at full occupancy. From July 1, 2010 to June 23, 2011, DLG provided \$2,583,499 in CDBG funding to assist the centers with salary and large equipment operational costs. From July 1, 2011 to June 30, 2012, DLG provided \$3,074,211 in CDBG funding to assist the 10 recovery centers with continuing costs of salaries.

Objective – KIA funds to facilitate the availability of clean drinking water and adequate sewage treatment to un-served and underserved Kentucky citizens

Performance Measure – Use WRIS updates and review of approved projects

Goal D, Objective 3 Progress Report: In 2012, KIA committed \$3.3MM in CWSRF funds to 5 systems to allow for expansion of the sewer system to provide wastewater service to unserved citizens. In 2012, KIA committed approximately \$5.9MM in DWSRF funds to 3 systems to allow for expansion of drinking water systems to provide service to unserved citizens.

Objective – KIA cooperates with state and federal environmental protection agencies to address existing problems

Performance measure – Track number of loans approved to address DOW sanctions or Agreed Orders; EPA reporting

Goal D, Objective 4 Progress Report: In 2012, KIA committed approximately \$3.6MM in DWSRF funds to 2 non-compliant systems so that they could achieve compliance with federal requirements. In 2012, KIA committed approximately \$69.8MM in CWSRF funds to 15 non-compliant systems so that they could achieve compliance with federal or state non-compliance sanctions, violations and court orders.

Objective: Neighborhood Stabilization Program (NSP) targets funding to stabilize distressed neighborhoods suffering from high volumes of foreclosures; stabilize and increase property values and associated ad valorem tax revenue; ensure existing homeowners retain equity in their property values.

Performance Measure: Monitoring and completion reports

Goal D, Objective 5 Progress Report: The Neighborhood Stabilization Program-1 received \$37,408,788 funding from the U.S. Department of Housing and Urban Development in 2009, and met HUD's 18-month deadline to have all funds obligated well in advance of the September 2010 deadline date. All funds must be expended by March

2013; as of August 2012, 85% of funds have been expended and the Commonwealth expects to meet the HUD deadline. Funds have been utilized by 23 agencies to acquire foreclosed, vacant and/or abandoned properties, and to rehabilitate existing structures and/or clear blighted structures and construct new housing units. The Commonwealth's original proposal to HUD projected that approximately 220 housing units would be created. As of August 2012, the program will create nearly 350 housing units, as follows: single family homes for homeownership, 160 units produced of which 63 have sold; lease-purchase 36 units produced, six leased; rental units 153 produced, 88 rented. An additional six undevelopable properties are being utilized for greenspace.

As of August 7, 2012, the Commonwealth's NSP-1 program has generated more than \$2 million in program income (funds returned to the Commonwealth through home sales; funds can be used for additional NSP-eligible activities). This program design has enabled the state to fund approximately 60 additional housing units to provide more safe, decent and affordable housing to the Commonwealth's residents.

The Commonwealth also received \$5 million through NSP-3; the program has no obligation deadline. Fifty percent of funds must be expended by March 2013; as of August 2012 approximately 10% of funds have been expended. Most funded agencies have now identified property to be acquired and the Commonwealth anticipates that the bulk of expenditures will be for this activity, which will occur from September 2012 through February 2013, enabling the Commonwealth to meet the required expenditure deadline.

Objective: Single and Multi-County Local Government Economic Development Fund (Coal Severance) projects assist local governments in coal counties to provide safe communities by funding public safety related projects in those counties.

Performance Measure: Conduct project monitoring and completion inspection to ensure funds were spent legally and in accordance with the project Scope of Work.

Goal D, Objective 6 Progress Report: In House Bill 1 (Budget Bill for FY 2011 and 2012) there were 105 single county coal severance line-item projects appropriated in FY '11 and FY '12 totaling 48,161,461 related to public safety. During FY '12, DLG released \$3,084,842.39 for these projects. During 2012, the Department for Local Government awarded \$1,945,338 in single county coal severance grants for 29 public safety projects. To date, DLG has released \$884,847 for these projects. The funds were used for projects including but not limited to the purchase equipment for fire departments, jails and sheriff's departments and to establish emergency operation centers.

E. Develop energy resources in environmentally sustainable manner

Objective: ARC grants that support efforts to increase renewable energy resources in Appalachian KY.

Performance Measure: Monitoring and completion reports

Goal E, Objective 1 Progress Report: Only one ARC project was awarded in this area and unfortunately, it failed in its objective to start a biofuels business in Estill County. The company could not raise capital required and the project was cancelled.

Objective: Energy Efficiency and Conservation block grants, funded through ARRA, support efforts in smaller communities to meet long-term goals for energy independence through the implementation of strategies to reduce fossil fuel emissions; reduce total energy use; and improve energy efficiency in the transportation, building, and other appropriate sectors.

Performance Measure: Monitoring and completion reports

Goal E, Objective 2 Progress Report: The program/project has begun but it is too early to see quantitative results.

F. Provide ethical, transparent, and honest state government

Objective: Make county financial information available to the public

Performance Measure: County revenue and expenditure information is available on the DLG website in a searchable database

Goal F, Objective 1 Progress Report: County financial data is now available on DLG's county page at <https://kydlgweb.ky.gov/countyHome.cfm> in a printable report for all counties in fiscal years from 2007 to current.

Objective: Make sure DLG partners are managing state funds responsibly

Performance Measure: ADD financial information is audited by APA annually, financial and activity reports are required quarterly

Goal F, Objective 2 Progress Report: All ADDs are up to date on their annual activity reports and quarterly financial reports and just completed the FY2011 audits.

Objective: Provide environment to promote cooperation among the Department for Local Government, other governmental units of the state, and various local governmental units, including counties, cities, urban county governments, charter counties, and other local public agencies.

Performance Measure: Attendance at Governor's Local Issues Conference.

Goal F, Objective 3 Progress Report: Approximately 750 local government officials registered and attended the 2012 Governor's Local Issues Conference.

Objective: Make county training materials, workshops and educational lecture available for public inspection.

Performance Measure: Training materials available on DLG website.

Goal F, Objective 4 Progress Report: Training materials are available for public access on DLG's website. Future developments are planned including public and local government resources.

Objective: Make all county and city Ethics Codes available to the public.

Performance Measure: Online access to codes through DLG's website.

Goal F, Objective 5 Progress Report: Public database infrastructure complete. County ethics codes are accessible through DLG's website, however the city's ethics codes are still to be added.

Objective – Provide online access to information about projects and funding administered by KIA.

Performance measure – Maintain link on KIA website to Comprehensive Search Tool for All Projects; links to CWSRF & DWSRF Project Priority Lists and ARRA Project Priority List; also continue to provide notification on web site of upcoming board meetings and links to an agenda and complete board book.

Goal F, Objective 6 Progress Report: Clean Water State Revolving Fund and Drinking Water State Revolving Fund Project Priority Lists and Intended Use Plans continue to be available through the KIA Web site. Notification of the date and time of monthly board meetings are posted, along with an agenda and complete board book for each upcoming meeting. A completely new Water Resource Information System (WRIS) Portal has been designed by IT staff to bring together information from a multitude of sources and display that information in one easy to use web application. The Portal is linked to databases at the Kentucky Division of Water, Kentucky Department for Local Government, the Kentucky Public Service Commission, Kentucky Department of Education, Kentucky Department of Parks, and the Kentucky Infrastructure Authority. The Web site provides access through the WRIS Portal to searchable system data and live downloadable reports.

Objective – Assure that borrowers continue to meet KIA loan conditions

Performance measure – Financial statements submitted annually by loan recipients

Goal F, Objective 7 Progress Report: KIA staff developed and implemented improved procedures for tracking and reviewing audited financial statements. A database is used to track the submission of audited financial statements to KIA, with follow-up letters generated to borrowers who do not send information within defined time frames. Cash flow is calculated and liquidity measures and relevant trend data are reviewed. Primary financial amounts are entered and maintained in the database.

Objective: Ensure local governments, special districts and other recipients expend grant and line-item project funds legally and appropriately.

Performance Measure: Require submission of full financial documentation from project recipients and conduct project monitoring and completion inspections.

Goal F, Objective 8 Progress Report: DLG and KIA currently requires full financial documentation from project recipients and conducts project monitoring and completion inspections on all grants, both federal and state.

Objective – Provide online access to information regarding ARRA projects and funding administered by Department for Local Government.

Performance measure – Quarterly reports submitted to www.federalreporting.gov

Goal F, Objective 9 Progress Report: DLG's Office of Federal Grants has submitted all required ARRA Quarterly Reports to www.federalreporting.gov in a timely fashion. A total of 9 reports were submitted through June 30, 2012 with the last one dated April of 2012. The reports reflect that approximately 178 jobs have been created, over 98.6% of the funds have been expended among the 13 projects approved, and 11 projects have completed their scope of work and administratively closed. The remaining 2 projects are

continuing their work toward the final closeout date of September 2012. Each of the 13 projects have been visited on site by DLG staff and monitored for compliance with state/federal regulations.

For EECBG - DLG reports to Energy and Environment Cabinet who in turn reports to feds